

AFPC

Agricultural & Food Policy Center
at Texas A&M University

Representative Farms Economic Outlook for the January 2004 FAPRI/AFPC Baseline



AFPC Briefing Paper 04-1

January 2004

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REPRESENTATIVE FARMS ECONOMIC OUTLOOK FOR THE JANUARY 2004 FAPRI/AFPC BASELINE

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REPRESENTATIVE FARMS ECONOMIC OUTLOOK FOR THE JANUARY 2004 FAPRI/AFPC BASELINE

The farm level economic impacts of the Farm Security and Rural Investment Act of 2002 on representative crop and livestock operations are projected in this report. The analysis was conducted over the 2001-2008 planning horizon using FLIPSIM, AFPC's whole farm simulation model. Data to simulate farming operations in the nation's major production regions came from two sources:

- Producer panel cooperation to develop economic information to describe and simulate representative crop, livestock, and dairy farms, and
- Projected prices, policy variables, and input inflation rates from the Food and Agricultural Policy Research Institute (FAPRI) January 2004 Baseline.

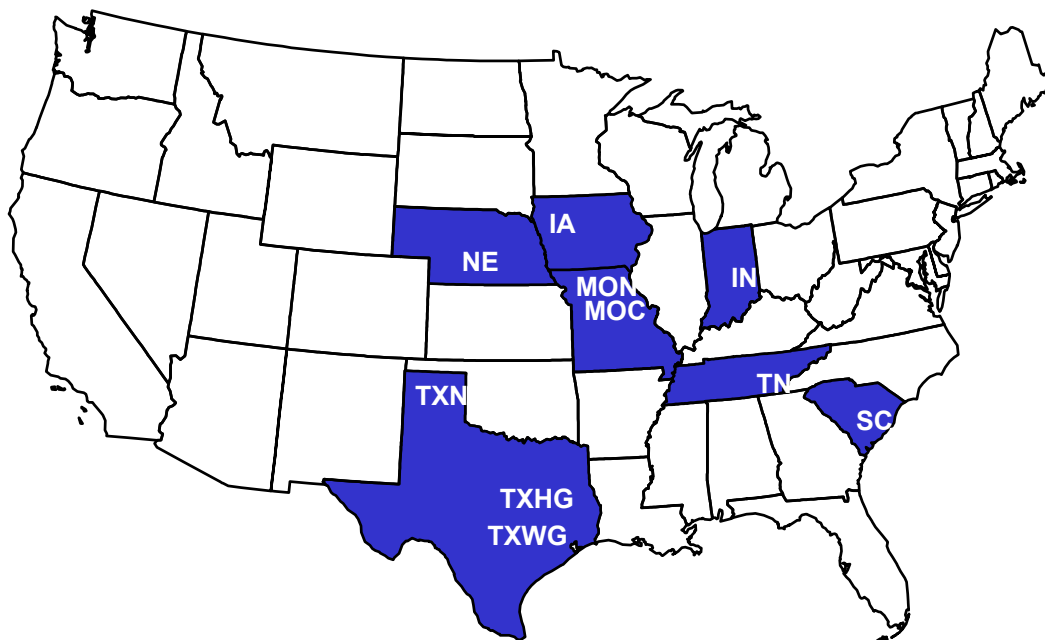
The FLIPSIM policy simulation model incorporates the historical risk faced by farmers for prices and production. This report presents the results of the January 2004 Baseline in a risk context using selected simulated probabilities and ranges for annual net cash farm income values. The probability of a farm experiencing annual cash flow deficits and the probability of a farm losing real net worth are included as indicators of the cash flow and equity risks facing farms through the year 2008.

Definitions of Variables in the Summary Tables

- **Overall Financial Position, 2004-2008** -- As a means of summarizing the representative farms' economic efficiency, liquidity, and solvency position AFPC classifies each farm as being in either a good (green), marginal (yellow) or poor (red) position. AFPC assumes a farm is in a good financial position when it has less than a 25 percent chance each of a cash flow deficit and a 25 percent chance of losing real net worth. If the probabilities of these events are between 25 and 50 percent the farm is classified as marginal. A probability greater than 50 percent places the farm in a poor financial position.
- **Receipts** -- 2004-2008 average of cash receipts from all sources, including market sales, CCP and direct payments, loan deficiency payments, crop insurance indemnities, and other farm related receipts.
- **Payments** -- 2004-2008 average of annual counter cyclical payments, direct payments, and marketing loan gains/LDP for crops and the milk program payment for dairy farms.
- **NCFI** -- 2004-2008 average net cash farm income equals average total receipts minus average total cash expenses.
- **Reserves 2008** -- equals total cash on hand at the end of year 2008. Ending cash equals beginning cash reserves plus net cash farm income and interest earned on cash reserves less principal payments, federal taxes (income and self employment), state income taxes, family living withdrawals, and actual machinery replacement costs (not depreciation).
- **Nominal Net Worth** -- equity equals total assets including land minus total debt from all sources and is reported at the end of 2008.
- **CRNW** -- annualized percentage change in the operator's net worth from January 1, 2004, through December 31, 2008, after adjusting for inflation.

Representative Farm: Feed Grain

- Overall, 8 feed grain farms are characterized as good, 9 are moderate and one is in poor condition.
- Only three of eighteen farms will be under cash flow stress with only one in poor condition in terms of maintaining real wealth.



Characteristics of Panel Farms Producing Feed Grains.

	Cropland	Assets	Debt/Asset	Gross Receipts	Feed Grains
	(acres)	(\$1,000)	(ratio)	(\$1,000)	(acres)
IAG1350	1,350	1,092.00	0.12	443.10	675
IAG2750	2,750	2,012.00	0.17	764.00	1,375
IAG4200	4,200	4,167.00	0.13	1,483.00	2,100
NEG1960	1,960	2,218.00	0.10	957.00	1,646
NEG4300	4,300	5,069.00	0.15	1,938.40	2,666
MOCG1700	1,700	2,961.00	0.13	399.80	825
MOCG3630	3,630	4,810.00	0.15	948.80	1,650
MONG1850	1,850	3,412.00	0.14	642.70	900
ING1000	1,000	1,530.00	0.10	342.00	500
ING2200	2,200	4,387.00	0.14	783.90	1,100
TXNP1750	1,750	486.00	0.16	546.00	880
TXNP7000	7,000	2,931.00	0.14	1,815.80	4,280
TXHG2000	2,000	521.00	0.18	379.00	1,350
TXWG1400	1,400	585.00	0.13	269.20	1,150
TNG900	900	618.00	0.24	249.60	450
TNG2400	2,400	2,109.00	0.16	743.40	1,080
SCG1500	1,500	874.00	0.20	489.80	846
SCG3500	3,500	4,071.00	0.15	1,301.20	1,840

Representative Farm: Feed Grain

Economic Viability of Representative Farms over the 2004-2008 Period

Farm Name	P(Cash Flow Deficit)	P(Real Net Worth Declines)
	2004-2008	2004-2008
8/9/1		
IAG1350	14-33	1-10
IAG2750	18-11	1-1
IAG4200	13-28	1-1
NEG1960	1-1	1-1
NEG4300	1-19	1-1
MOCG1700	7-20	1-1
MOCG3630	9-7	1-1
MONG1850	39-53	1-6
ING1000	58-99	1-59
ING2200	54-97	1-24
TXNP1750	38-48	1-16
TXNP7000	26-33	1-2
TXHG2000	27-37	1-9
TXWG1400	29-23	1-5
TNG900	23-8	1-1
TNG2400	15-38	1-5
SCG1500	45-37	1-12
SCG3500	16-23	1-1

1 Viability is classified as good (green), moderate (yellow), and poor (red) based on the probabilities:

< 25

26 - 50

> 50

2 P(Cash Flow Deficit) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2004 and 2008.

3 P(Real Net Worth Decline) is the probability that the farm will have a loss in real net worth relative to the beginning net worth. Reported values represent the probabilities for losing real net worth from 2001 to 2003 and from 2001 to 2008.

Implications of the January 2004 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Feed Grains and Oilseeds.

	Receipts	Payments	NCFI	Reserve 2008	Net Worth 2008	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
IAG1350	447.39	51.13	114.98	209.67	1,072.34	2.40
IAG2750	769.80	88.20	284.89	632.38	2,160.96	5.16
IAG4200	1,495.26	176.03	433.80	949.91	4,153.89	2.97
NEG1960	1,013.23	100.03	354.13	1,302.46	2,726.57	5.81
NEG4300	1,874.01	177.76	482.48	1,201.26	5,033.55	3.23
MOCG1700	479.93	52.25	224.40	369.33	2,890.11	3.02
MOCG3630	881.94	95.44	440.46	908.60	4,854.02	3.97
MONG1850	655.67	54.12	196.59	97.75	3,114.22	2.17
ING1000	305.26	33.87	48.31	(127.88)	1,298.81	(0.26)
ING2200	714.35	81.60	127.55	(190.59)	3,599.52	0.44
TXNP1750	627.16	62.59	137.08	197.63	674.00	7.93
TXNP7000	2,031.17	212.77	458.44	704.66	3,372.09	5.06
TXHG2000	420.86	58.49	93.62	107.75	547.41	4.53
TXWG1400	293.21	46.11	84.21	166.31	638.39	4.48
TNG900	254.86	27.36	77.78	139.83	591.65	4.58
TNG2400	743.74	78.95	203.44	352.21	2,021.07	2.55
SCG1500	519.15	91.14	98.87	159.96	827.75	2.91
SCG3500	1,376.13	203.26	386.84	1,248.35	4,171.38	3.88

1 Receipts are average annual total cash receipts including government payments, 2004-2008 (\$1,000)

2 Payments are average annual total government payments, 2004-2008 (\$1,000)

3 NCFI are average annual net cash farm income, 2004-2008 (\$1,000)

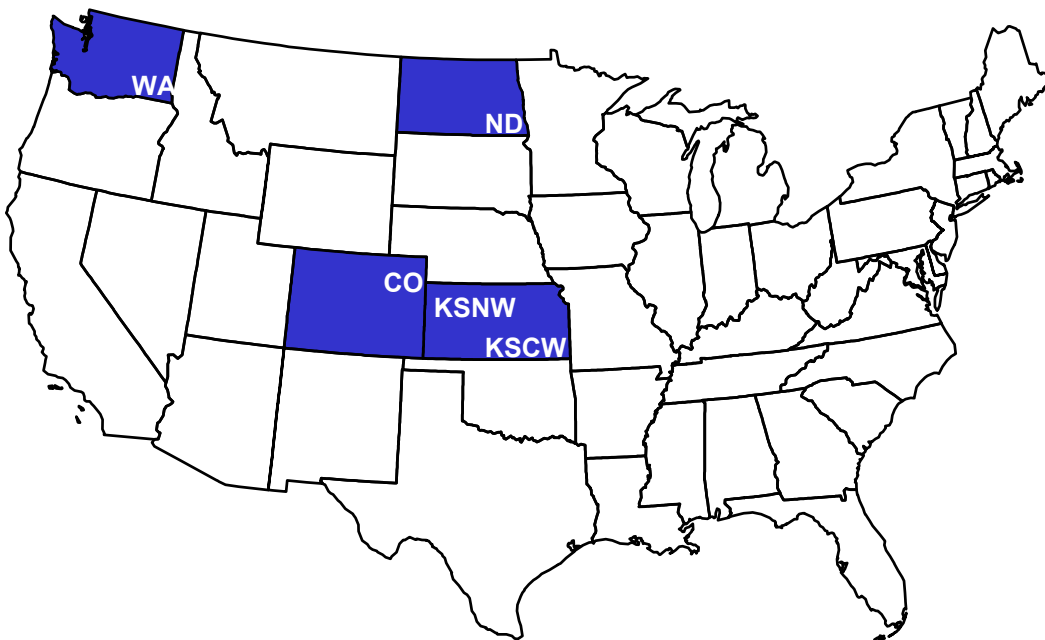
4 Reserve 2008 are average ending cash reserves, 2008 (\$1,000)

5 Net Worth 2008 are average nominal ending net worth, 2008 (\$1,000)

6 CRNW are average percentage in real net worth over 2004-2008 period, (%)

Representative Farm: Wheat

- Three wheat farms are projected to be in good overall financial condition with six in moderate condition and only one in poor condition.
- One of the ten wheat farms will feel severe liquidity pressure over the period.
- Only one wheat farm has a significant chance of losing real equity.



Characteristics of Panel Farms Producing Wheat.

	Cropland	Assets	Debt/Asset	Gross Receipts	Wheat
	(acres)	(\$1,000)	(ratio)	(\$1,000)	(acres)
WAW1725	1,725	1,257.00	0.14	428.60	1,035
WAW4675	4,675	4,056.00	0.15	1,076.60	3,043
NDW2180	2,180	540.00	0.09	375.10	700
NDW6250	6,250	2,903.00	0.19	1,285.80	2,700
KSCW1385	1,385	778.00	0.20	193.00	928
KSCW4000	4,000	1,629.00	0.16	548.70	2,845
KSNW2800	2,800	1,218.00	0.27	318.50	935
KSNW4300	4,300	1,785.00	0.15	625.10	2,000
COW3000	3,000	1,218.00	0.16	298.80	1,125
COW5440	5,440	2,043.00	0.16	529.70	1,900

Representative Farm: Wheat

Economic Viability of Representative Farms over the 2004-2008 Period

Farm Name	P(Cash Flow Deficit)	P(Real Net Worth Declines)
3/6/1	2004-2008	2004-2008
WAW1725	14-32	1-8
WAW4675	28-27	1-2
NDW2180	13-45	1-25
NDW6250	12-35	1-1
KSCW1385	9-38	1-11
KSCW4000	1-12	1-1
KSNW2800	98-99	1-72
KSNW4300	31-41	1-9
COW3000	1-1	1-1
COW5440	1-2	1-1

1 Viability is classified as good (green), moderate (yellow), and poor (red) based on the probabilities:

< 25

26 - 50

> 50

2 P(Cash Flow Deficit) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2004 and 2008.

3 P(Real Net Worth Decline) is the probability that the farm will have a loss in real net worth relative to the beginning net worth. Reported values represent the probabilities for losing real net worth from 2001 to 2003 and from 2001 to 2008.

Implications of the January 2004 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Wheat.

	Receipts	Payments	NCFI	Reserve 2008	Net Worth 2008	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
WAW1725	445.42	46.86	117.46	194.55	1,229.87	2.27
WAW4675	1,043.48	132.44	284.53	530.69	3,794.54	2.38
NDW2180	376.74	43.07	84.38	184.68	593.44	2.01
NDW6250	1,292.23	133.92	390.66	968.44	2,992.06	3.83
KSCW1385	195.83	29.18	75.97	107.38	685.18	2.09
KSCW4000	561.43	73.57	253.64	586.28	1,780.86	4.84
KSNW2800	340.41	39.95	45.51	(284.70)	768.59	(1.73)
KSNW4300	655.26	74.47	159.90	273.54	1,717.53	2.60
COW3000	300.20	28.39	130.92	300.71	1,257.15	4.24
COW5440	527.99	57.18	237.94	576.86	2,151.48	4.12

1 Receipts are average annual total cash receipts including government payments, 2004-2008 (\$1,000)

2 Payments are average annual total government payments, 2004-2008 (\$1,000)

3 NCFI are average annual net cash farm income, 2004-2008 (\$1,000)

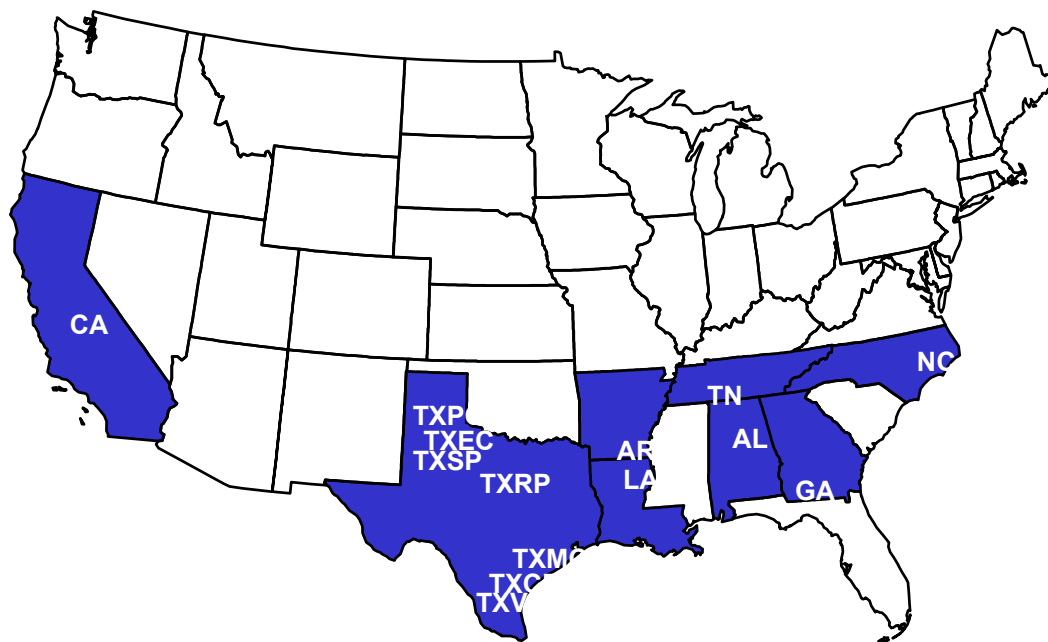
4 Reserve 2008 are average ending cash reserves, 2008 (\$1,000)

5 Net Worth 2008 are average nominal ending net worth, 2008 (\$1,000)

6 CRNW are average percentage in real net worth over 2004-2008 period, (%)

Representative Farm: Cotton

- Two of 18 cotton farms are characterized as being in good overall condition, with 14 farms characterized in moderate and 2 in poor condition.
- Nearly one-half of the farms are projected to have severe cash flow problems over the period.
- Two of the 18 cotton farms have more than a 45 percent chance of losing real equity.



Characteristics of Panel Farms Producing Cotton.

	Cropland	Assets	Debt/Asset	Gross Receipts	Cotton
	(acres)	(\$1,000)	(ratio)	(\$1,000)	(acres)
CAC2400	2,000	5,058.00	0.13	2,098.80	1,000
CAC9000	9,000	17,150.00	0.14	10,899.60	4,500
TXSP2239	2,239	764.00	0.11	632.10	1,616
TXSP3745	3,745	1,455.00	0.12	828.60	2,625
TXPC2500	2,500	1,622.00	0.16	811.20	1,184
TXEC5000	5,000	1,134.00	0.39	1,120.40	4,300
TXRP2500	2,500	424.00	0.13	229.30	1,122
TXMC3500	3,500	1,003.00	0.15	1,281.50	1,750
TXCB1850	1,850	964.00	0.12	549.30	925
TXCB5500	5,500	1,258.00	0.17	1,293.90	2,750
TXVC4500	4,500	2,031.00	0.24	1,314.00	2,388
LAC2640	2,640	971.00	0.22	952.70	1,498
ARC5000	5,000	4,259.00	0.17	2,772.90	1,801
TNC1900	1,900	1,750.00	0.06	707.10	915
TNC4050	4,050	3,740.00	0.14	1,696.30	2,670
ALC3000	3,000	1,761.00	0.12	1,308.60	2,075
GAC1700	1,700	2,175.00	0.23	1,240.30	1,020
NCC1500	1,500	1,690.00	0.15	702.90	1,000

Representative Farm: Cotton

Economic Viability of Representative Farms over the 2004-2008 Period

Farm Name	P(Cash Flow Deficit)	P(Real Net Worth Declines)
	2004-2008	2004-2008
2/14/2		
CAC2400	22-29	1-5
CAC9000	30-27	1-11
TXSP2239	44-59	1-18
TXSP3745	45-52	1-23
TXPC2500	33-42	1-2
TXEC5000	56-56	1-24
TXRP2500	33-29	1-10
TXMC3500	37-30	1-4
TXCB1850	42-40	1-7
TXCB5500	45-55	1-20
TXVC4500	40-46	1-8
LAC2640	53-81	1-51
ARC5000	3-21	1-1
TNC1900	1-8	1-1
TNC4050	25-32	1-12
ALC3000	28-37	1-1
GAC1700	99-61	1-6
NCC1500	34-69	1-47

1 Viability is classified as good (green), moderate (yellow), and poor (red) based on the probabilities:

< 25

26 - 50

> 50

2 P(Cash Flow Deficit) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2004 and 2008.

3 P(Real Net Worth Decline) is the probability that the farm will have a loss in real net worth relative to the beginning net worth. Reported values represent the probabilities for losing real net worth from 2001 to 2003 and from 2001 to 2008.

Implications of the January 2004 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Cotton.

	Receipts	Payments	NCFI	Reserve 2008	Net Worth 2008	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
CAC2400	2,117.20	202.57	375.76	1,197.37	4,835.74	2.57
CAC9000	11,161.78	921.72	2,069.72	5,626.38	17,664.30	4.30
TXSP2239	623.63	86.81	103.80	96.74	743.66	2.64
TXSP3745	845.89	132.21	147.55	187.80	1,453.16	2.12
TXPC2500	892.42	183.90	184.81	517.50	1,714.17	3.16
TXEC5000	1,207.17	262.92	169.66	118.67	1,076.10	3.22
TXRP2500	259.65	59.54	86.60	201.34	538.80	6.34
TXMC3500	1,326.01	219.51	305.24	722.59	1,478.05	10.44
TXCB1850	567.37	93.26	155.77	398.68	1,116.39	6.01
TXCB5500	1,337.34	276.62	191.46	481.30	1,362.25	4.02
TXVC4500	1,377.16	249.96	319.39	393.23	2,140.96	6.56
LAC2640	974.65	163.40	91.41	11.55	816.58	(0.40)
ARC5000	2,683.46	668.05	722.33	1,749.55	4,865.91	5.31
TNC1900	728.34	118.85	306.29	1,050.51	2,387.92	6.43
TNC4050	1,812.24	272.21	462.87	1,204.64	4,101.60	3.81
ALC3000	1,392.51	253.60	427.27	1,512.24	2,587.47	7.51
GAC1700	1,199.98	155.13	151.31	(1.04)	1,654.92	1.97
NCC1500	768.79	121.97	120.15	108.60	1,518.19	(0.10)

1 Receipts are average annual total cash receipts including government payments, 2004-2008 (\$1,000)

2 Payments are average annual total government payments, 2004-2008 (\$1,000)

3 NCFI are average annual net cash farm income, 2004-2008 (\$1,000)

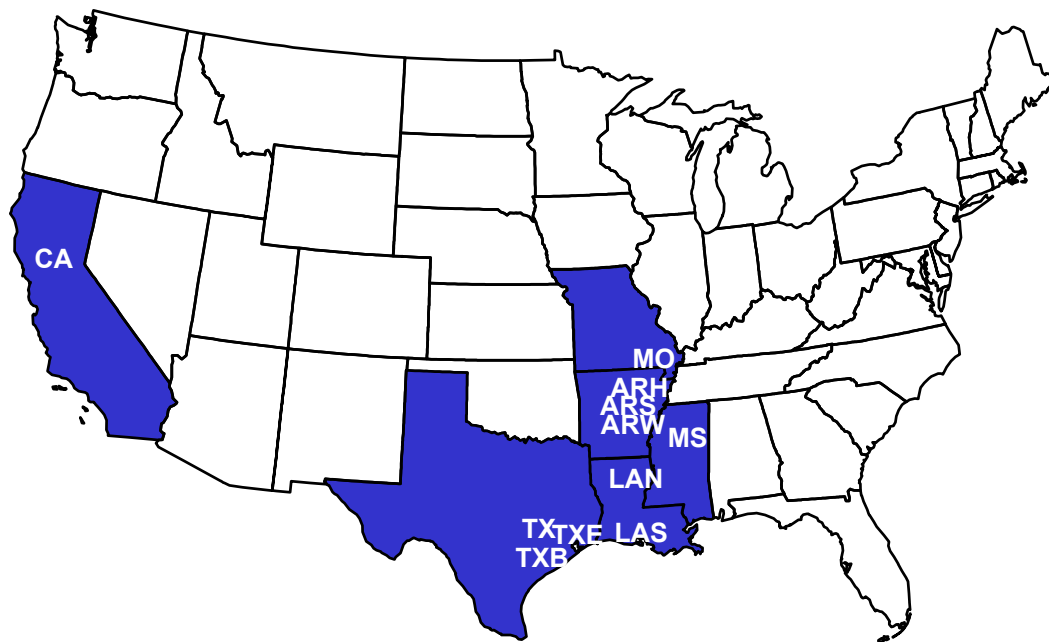
4 Reserve 2008 are average ending cash reserves, 2008 (\$1,000)

5 Net Worth 2008 are average nominal ending net worth, 2008 (\$1,000)

6 CRNW are average percentage in real net worth over 2004-2008 period, (%)

Representative Farm: Rice

- Three of the 16 rice farms are projected to be in good overall financial condition with 5 in moderate and 8 in poor condition.
- Slightly more than one-half of the rice farms are expected to face severe cash flow problems and 6 of 16 have high probabilities of real equity losses.



Characteristics of Panel Farms Producing Rice.

	Cropland	Assets	Debt/Asset	Gross Receipts	Rice
	(acres)	(\$1,000)	(ratio)	(\$1,000)	(acres)
CAR424	424	917.00	0.28	334.60	400
CAR2365	2,365	3,576.00	0.22	1,952.30	2,240
CABR1365	1,000	1,692.00	0.35	823.50	1,000
CACR1420	1,420	2,156.00	0.35	1,097.00	1,278
TXR1553	1,553	525.00	0.18	471.00	855
TXR3774	3,774	1,142.00	0.18	1,228.70	2,940
TXBR1650	1,650	733.00	0.04	631.20	1,025
TXER3200	3,200	1,066.00	0.27	1,218.20	2,304
LASR1200	1,200	418.00	0.25	428.60	660
LANR2500	2,500	2,435.00	0.21	1,146.70	1,000
MOER4500	4,500	6,188.00	0.12	1,773.00	1,500
MOWR4000	4,000	6,774.00	0.15	1,859.40	2,000
ARSR3640	3,640	4,620.00	0.14	1,461.50	1,742
ARWR1200	1,200	1,754.00	0.16	613.30	600
ARHR3000	3,000	3,510.00	0.17	1,469.00	1,500
MSR4735	4,736	1,750.00	0.17	2,017.80	1,335

Representative Farm: Rice

Economic Viability of Representative Farms over the 2004-2008 Period

Farm Name	P(Cash Flow Deficit)	P(Real Net Worth Declines)
3/5/8	2004-2008	2004-2008
CAR424	99-99	1-99
CAR2365	29-88	1-64
CABR1365	99-99	1-99
CACR1420	99-99	1-99
TXR1553	12-49	1-19
TXR3774	2-9	1-1
TXBR1650	2-39	1-10
TXER3200	17-43	1-17
LASR1200	16-60	1-37
LANR2500	25-95	1-65
MOER4500	3-21	1-1
MOWR4000	25-47	1-9
ARSR3640	10-17	1-2
ARWR1200	9-81	1-47
ARHR3000	13-74	1-19
MSR4735	7-78	1-61

1 Viability is classified as good (green), moderate (yellow), and poor (red) based on the probabilities:

< 25

26 - 50

> 50

2 P(Cash Flow Deficit) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2004 and 2008.

3 P(Real Net Worth Decline) is the probability that the farm will have a loss in real net worth relative to the beginning net worth. Reported values represent the probabilities for losing real net worth from 2001 to 2003 and from 2001 to 2008.

Implications of the January 2004 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Rice.

	Receipts	Payments	NCFI	Reserve 2008	Net Worth 2008	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
CAR424	321.42	147.19	11.36	(320.40)	443.97	(5.99)
CAR2365	1,875.30	858.26	121.26	(242.95)	2,589.29	(1.14)
CABR1365	791.12	366.45	47.17	(404.03)	918.05	(3.84)
CACR1420	1,051.88	488.28	(113.66)	(1,153.33)	465.95	(13.33)
TXR1553	439.54	180.63	93.02	115.45	529.25	1.95
TXR3774	1,144.52	457.58	362.75	1,026.55	1,730.69	9.70
TXBR1650	588.64	244.48	130.85	390.40	886.08	2.15
TXER3200	1,138.65	471.17	139.95	161.15	991.31	2.18
LASR1200	399.08	143.00	64.66	42.85	357.02	(0.06)
LANR2500	1,080.95	325.90	103.83	(202.53)	1,819.65	(0.94)
MOER4500	1,711.79	468.00	596.97	1,715.48	6,615.89	3.67
MOWR4000	1,698.15	601.30	470.34	1,011.48	6,391.25	2.05
ARSR3640	1,349.00	473.70	421.42	973.44	4,456.18	2.45
ARWR1200	560.74	193.73	115.94	(27.69)	1,462.44	(0.22)
ARHR3000	1,354.47	484.28	224.20	92.28	3,003.58	0.65
MSR4735	1,889.72	516.30	225.20	174.15	1,619.29	(0.94)

1 Receipts are average annual total cash receipts including government payments, 2004-2008 (\$1,000)

2 Payments are average annual total government payments, 2004-2008 (\$1,000)

3 NCFI are average annual net cash farm income, 2004-2008 (\$1,000)

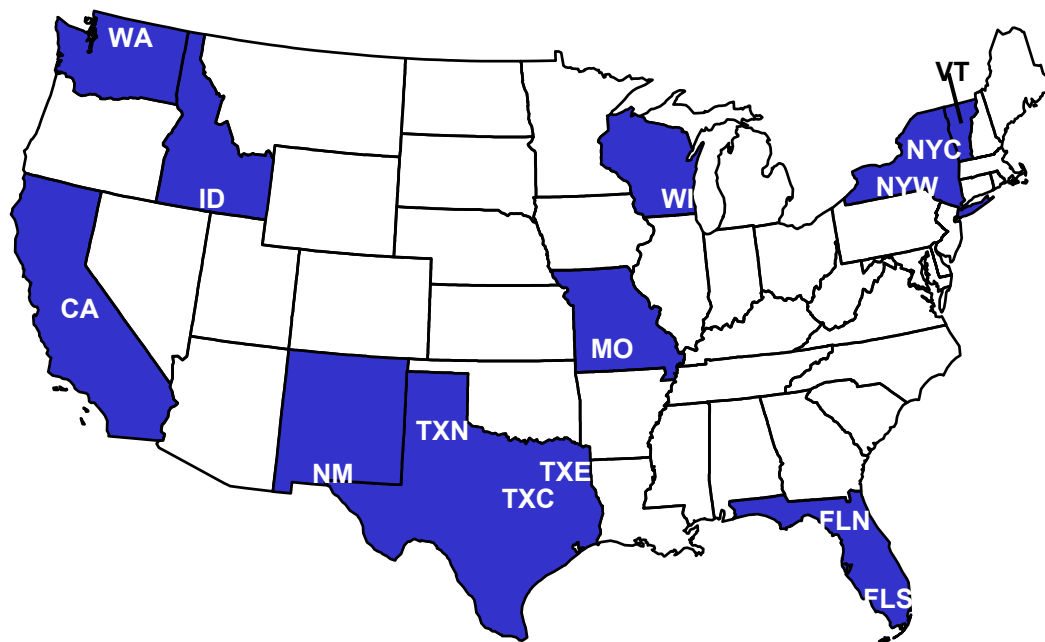
4 Reserve 2008 are average ending cash reserves, 2008 (\$1,000)

5 Net Worth 2008 are average nominal ending net worth, 2008 (\$1,000)

6 CRNW are average percentage in real net worth over 2004-2008 period, (%)

Representative Farm: Dairy

- The dairy operations are almost evenly divided between good, moderate, and poor condition at 8, 7, and 8 farms, respectively.
- About one-half of the dairies are projected to experience liquidity pressure with only a few experiencing declines in real equity.



Characteristics of Panel Farms Producing Milk.

	Cropland	Assets	Debt/Asset	Gross Receipts	Cows
	(acres)	(\$1,000)	(ratio)	(\$1,000)	(number)
CAD1710	800	10,548.00	0.21	5,103.40	1,710
NMD2000	400	6,267.00	0.21	6,022.00	2,000
WAD250	200	1,863.00	0.23	837.40	250
WAD850	605	4,612.00	0.33	2,780.00	850
IDD750	240	3,681.00	0.24	2,434.40	750
IDD2100	560	10,036.00	0.10	6,500.00	2,100
TXND2400	260	8,829.00	0.20	6,660.80	2,400
TXCD500	250	2,027.00	0.35	1,331.10	500
TXCD1300	460	5,175.00	0.17	4,262.60	1,300
TXED550	300	1,525.00	0.16	1,290.90	550
TXED1000	875	4,082.00	0.09	2,874.90	1,000
WID135	600	2,136.00	0.21	487.80	135
WID700	1,200	4,022.00	0.17	2,302.40	700
NYWD800	1,440	4,712.00	0.24	2,631.60	800
NYWD1200	2,160	7,537.00	0.24	3,928.60	1,200
NYCD110	296	890.00	0.14	435.20	110
NYCD500	1,100	3,217.00	0.15	1,760.30	500
VTD134	220	950.00	0.13	455.70	134
VTD350	700	2,920.00	0.21	1,228.20	350
MOD85	230	923.00	0.15	240.40	85
MOD400	450	2,379.00	0.16	1,107.30	400
FLND500	600	2,879.00	0.11	1,839.90	500
FLSD1500	400	6,698.00	0.33	4,291.70	1,500

Representative Farm: Dairy

Economic Viability of Representative Farms over the 2004-2008 Period

Farm Name	P(Cash Flow Deficit)	P(Real Net Worth Declines)
	2004-2008	2004-2008
8/7/8		
CAD1710	99-28	1-2
NMD2000	99-44	1-12
WAD250	99-89	1-25
WAD850	99-99	1-83
IDD750	99-93	1-46
IDD2100	16-6	1-1
TXND2400	92-63	1-26
TXCD500	99-99	1-91
TXCD1300	47-28	1-9
TXED550	40-29	1-10
TXED1000	22-13	1-1
WID135	99-75	1-18
WID700	45-34	1-9
NYWD800	99-96	1-64
NYWD1200	99-89	1-46
NYCD110	1-1	1-1
NYCD500	18-19	1-1
VTD134	19-3	1-1
VTD350	99-99	1-69
MOD85	59-54	1-2
MOD400	50-31	1-1
FLND500	29-8	1-1
FLSD1500	99-99	1-93

1 Viability is classified as good (green), moderate (yellow), and poor (red) based on the probabilities:

< 25

26 - 50

> 50

2 P(Cash Flow Deficit) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2004 and 2008.

3 P(Real Net Worth Decline) is the probability that the farm will have a loss in real net worth relative to the beginning net worth. Reported values represent the probabilities for losing real net worth from 2001 to 2003 and from 2001 to 2008.

Implications of the January 2004 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Milk.

	Receipts	Payments	NCFI	Reserve 2008	Net Worth 2008	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
CAD1710	5,458.68	36.12	557.73	580.62	9,278.38	3.03
NMD2000	6,421.19	12.91	578.98	296.78	6,094.55	5.58
WAD250	886.74	18.46	88.81	(194.93)	1,466.94	1.72
WAD850	2,977.12	41.76	(160.73)	(2,099.65)	1,747.33	(6.76)
IDD750	2,568.71	12.91	69.31	(767.55)	2,629.83	0.15
IDD2100	6,898.81	38.99	1,453.83	4,114.19	12,743.06	7.12
TXND2400	7,108.71	12.91	359.21	(317.25)	7,658.38	2.08
TXCD500	1,407.51	12.91	(62.93)	(1,021.84)	691.45	(7.68)
TXCD1300	4,535.92	12.91	447.44	759.47	5,210.08	4.09
TXED550	1,347.26	12.91	197.93	294.64	1,620.53	5.16
TXED1000	3,013.36	12.91	541.45	1,675.00	5,068.17	6.58
WID135	508.96	18.05	88.99	(41.37)	1,669.44	1.02
WID700	2,460.60	28.58	326.01	530.39	3,882.63	3.59
NYWD800	2,791.74	27.00	56.80	(935.85)	3,052.50	(1.29)
NYWD1200	4,176.64	37.13	171.74	(873.42)	5,421.58	0.25
NYCD110	438.23	4.75	158.73	433.31	1,069.90	7.93
NYCD500	1,855.66	14.98	292.06	360.13	3,184.59	4.04
VTD134	464.11	3.72	114.87	253.23	1,029.96	5.31
VTD350	1,295.66	1.35	19.32	(582.66)	1,913.51	(1.41)
MOD85	246.83	8.71	57.84	7.76	846.37	2.13
MOD400	1,170.35	12.91	233.69	261.16	2,478.05	4.65
FLND500	1,942.80	12.91	364.07	1,060.80	3,388.77	7.00
FLSD1500	4,561.52	12.91	(357.29)	(3,707.52)	2,281.90	(7.92)

1 Receipts are average annual total cash receipts including government payments, 2004-2008 (\$1,000)

2 Payments are average annual total government payments, 2004-2008 (\$1,000)

3 NCFI are average annual net cash farm income, 2004-2008 (\$1,000)

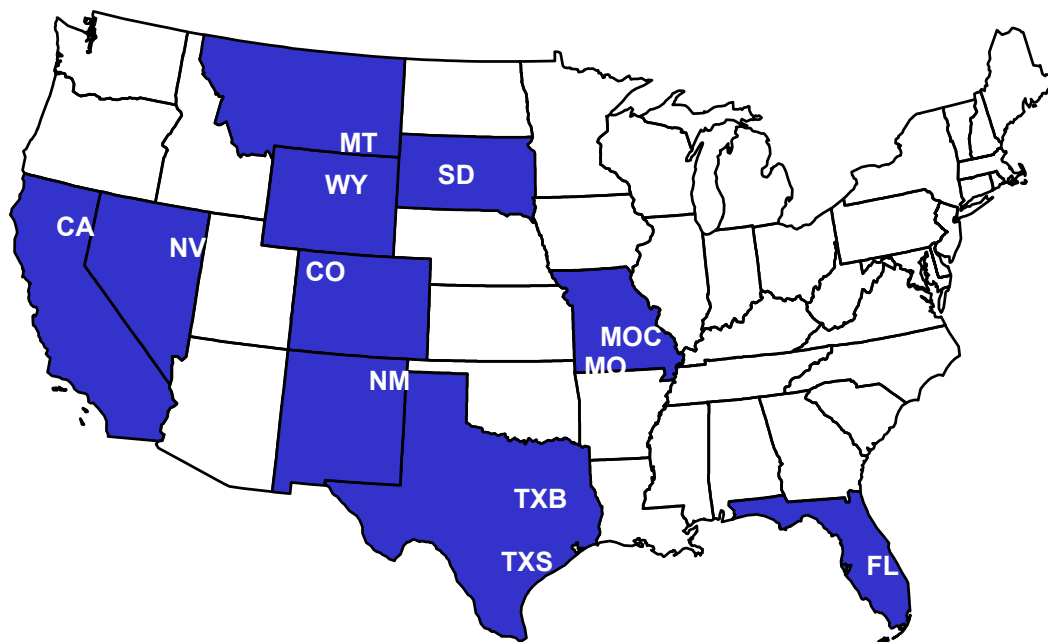
4 Reserve 2008 are average ending cash reserves, 2008 (\$1,000)

5 Net Worth 2008 are average nominal ending net worth, 2008 (\$1,000)

6 CRNW are average percentage in real net worth over 2004-2008 period, (%)

Representative Farm: Cow/Calf

- Six of 12 cow-calf operations are projected to be in good overall financial condition. Five are expected to be in moderate condition and one is in poor condition.
- Three of the operations will face liquidity pressures over the period.
- Three operations are projected to have more than a 30 percent chance of losing real equity over the period.



Characteristics of Panel Farms Producing Beef Cattle.

	Cropland	Assets	Debt/Asset	Gross Receipts	Cows
	(acres)	(\$1,000)	(ratio)	(\$1,000)	(number)
CAB500	-	8,893.00	0.01	271.90	500
NVB700	1,300	2,130.00	0.01	315.70	700
MTB500	-	2,591.00	0.01	274.90	500
WYB500	330	2,392.00	0.04	264.40	500
COB250	450	9,088.00	0.01	142.20	250
NMB240	-	2,566.00	0.01	121.20	240
SDB450	1,150	2,679.00	0.01	230.50	450
MOB150	240	922.00	0.15	140.80	150
MOCB350	40	2,307.00	0.01	187.50	350
TXBB150	200	782.00	0.01	1,226.10	150
TXSB250	-	2,085.00	0.01	155.10	250
FLB1155	5,400	10,113.00	0.01	506.40	1,155

Representative Farm: Cow/Calf

Economic Viability of Representative Farms over the 2004-2008 Period

Farm Name	P(Cash Flow Deficit)	P(Real Net Worth Declines)
6/5/1	2004-2008	2004-2008
CAB500	99-47	1-40
NVB700	11-30	1-23
MTB500	1-1	1-1
WYB500	99-78	1-28
COB250	76-68	1-44
NMB240	1-29	1-32
SDB450	10-15	1-15
MOB150	8-16	1-1
MOCB350	7-13	1-1
TXBB150	1-23	1-12
TXSB250	1-3	1-2
FLB1155	1-26	1-18

1 Viability is classified as good (green), moderate (yellow), and poor (red) based on the probabilities:

< 25

26 - 50

> 50

2 P(Cash Flow Deficit) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2004 and 2008.

3 P(Real Net Worth Decline) is the probability that the farm will have a loss in real net worth relative to the beginning net worth. Reported values represent the probabilities for losing real net worth from 2001 to 2003 and from 2001 to 2008.

Implications of the January 2004 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Beef Cattle.

	Receipts	Payments	NCFI	Reserve 2008	Net Worth 2008	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
CAB500	286.64	-	49.42	8.99	8,100.47	0.06
NVB700	310.18	-	61.99	74.68	2,122.70	0.93
MTB500	287.48	-	138.15	567.76	2,841.45	2.57
WYB500	276.69	-	52.30	(29.26)	2,211.59	0.41
COB250	148.00	-	48.09	156.09	8,273.79	0.02
NMB240	126.46	-	37.05	95.87	2,390.70	0.14
SDB450	245.57	1.26	65.67	162.53	2,600.64	0.65
MOB150	151.76	7.45	64.79	62.49	876.96	2.97
MOCB350	194.56	-	55.54	173.04	2,470.29	1.66
TXBB150	1,272.38	1.83	76.07	137.14	893.85	2.31
TXSB250	160.88	-	60.76	202.93	2,071.66	0.88
FLB1155	534.15	-	92.58	184.32	9,382.34	0.29

1 Receipts are average annual total cash receipts including government payments, 2004-2008 (\$1,000)

2 Payments are average annual total government payments, 2004-2008 (\$1,000)

3 NCFI are average annual net cash farm income, 2004-2008 (\$1,000)

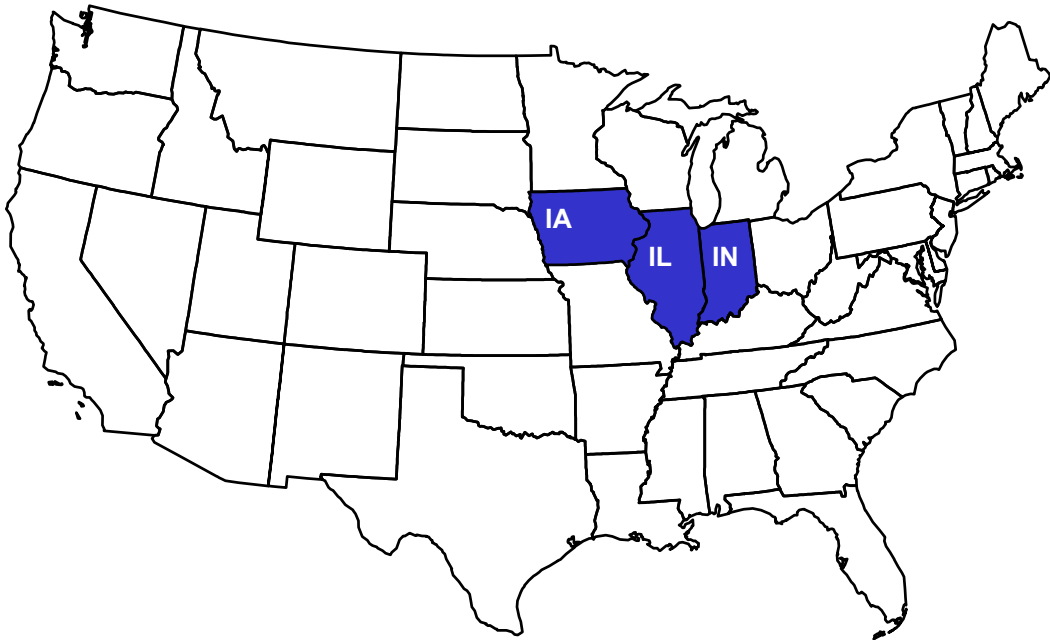
4 Reserve 2008 are average ending cash reserves, 2008 (\$1,000)

5 Net Worth 2008 are average nominal ending net worth, 2008 (\$1,000)

6 CRNW are average percentage in real net worth over 2004-2008 period, (%)

Representative Farm: Hog

- One hog farm is projected to be in good condition over the period with two in moderate and one in poor financial condition.
- All of the farms are projected to experience liquidity problems, with three being severe.
- None of the hog farms are expected to experience significant real equity declines.



Characteristics of Panel Farms Producing Hogs.

	Cropland	Assets	Debt/Asset	Gross Receipts	Sows
	(acres)	(\$1,000)	(ratio)	(\$1,000)	(number)
ILH200	1,400	1,263.00	0.30	580.70	200
ILH750	1,950	5,422.00	0.28	1,864.60	750
INH600	3,200	4,956.00	0.31	2,078.10	600
IAH400	667	881.00	0.15	883.10	400

Representative Farm: Hog

Economic Viability of Representative Farms over the 2004-2008 Period

Farm Name	P(Cash Flow Deficit)	P(Real Net Worth Declines)
1/2/1	2004-2008	2004-2008
ILH200	98-88	1-13
ILH750	99-35	1-1
INH600	91-71	1-1
IAH400	93-79	1-39

1 Viability is classified as good (green), moderate (yellow), and poor (red) based on the probabilities:

< 25

26 - 50

> 50

2 P(Cash Flow Deficit) is the probability that the farm will have a cash flow deficit. Reported values represent the probabilities for 2004 and 2008.

3 P(Real Net Worth Decline) is the probability that the farm will have a loss in real net worth relative to the beginning net worth. Reported values represent the probabilities for losing real net worth from 2001 to 2003 and from 2001 to 2008.

Implications of the January 2004 FAPRI Baseline on the Economic Viability of Representative Farms Primarily Producing Hogs.

	Receipts	Payments	NCFI	Reserve 2008	Net Worth 2008	CRNW
	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(%)
ILH200	583.86	40.19	107.53	(79.15)	942.76	1.98
ILH750	1,891.72	77.00	477.96	158.84	4,761.61	4.60
INH600	2,176.92	135.43	412.50	(128.19)	4,046.02	4.04
IAH400	897.95	24.49	66.71	(61.78)	756.50	0.59

1 Receipts are average annual total cash receipts including government payments, 2004-2008 (\$1,000)

2 Payments are average annual total government payments, 2004-2008 (\$1,000)

3 NCFI are average annual net cash farm income, 2004-2008 (\$1,000)

4 Reserve 2008 are average ending cash reserves, 2008 (\$1,000)

5 Net Worth 2008 are average nominal ending net worth, 2008 (\$1,000)

6 CRNW are average percentage in real net worth over 2004-2008 period, (%)

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